

EXHIBIT 56



DIRECTORS' REPORT

The Shareholders,

On behalf of the Board of Directors, it gives me immense pleasure in presenting to you, the Thirteenth Annual Report on the performance of the Company together with the Audited Accounts, Auditors' Report and Comments of the Comptroller and Auditor General of India on the accounts for the financial year ended 31 March 2020.

1. REVIEW OF PERFORMANCE – HIGHLIGHTS

1.1 Financial Performance

The financial performance of the Company during the year 2019-20 is as under:

(Rupees in Million)		
Particulars	2019-20	2018-19
Total Revenue	285,244.4	264,877.2
Total Expenses	362,901.7	349,625.2
Profit/(Loss) before Exceptional Items, Tax & Comprehensive Income	(77,657.3)	(84,748.0)
Exceptional Items	-	-
Profit/(Loss) before Tax & Comprehensive Income	(77,657.3)	(84,748.0)
Less: Provision for Tax	(77,657.3)	(84,748.0)
Profit/(Loss) before Comprehensive Income	-	-
Comprehensive Income	(77,657.3)	(84,748.0)
Net Profit/(Loss)	(2,170.9)	(815.6)
	(79,828.2)	(85,563.6)

1.2 Physical Performance:

Particulars	Unit	2019-20	2018-19
ASKMs(Scheduled Services)	Million	63186	62134
ASKMs (Total)	Million	63620	62442
PKMs (Scheduled Services)	Million	50395	49063
PKMs (Total)	Million	50397	49064
ATKMs(Scheduled Services)	Million	8415	8340
ATKMs (Total)	Million	8461	8371
RTKMs (Scheduled Services)	Million	5817	5758
RTKMs (Total)	Million	5817	5758
Passenger Load Factor (Scheduled Services)	%	79.8	79.0
Overall Load Factor (Scheduled Services)	%	69.1	69.0
No. of Passenger Carried (Scheduled Services)	Million	22.1	21.8
No. of Passenger Carried (Total)	Million	22.5	22.1
Freight Carried	Tonnes	221257	240656
Total Revenue Hours Flown	No.	482099	469693



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	Approved	Actual
Payment to aircraft/spare engine manufacturers	2,520.0	2,073.4
Non-Aircraft Projects		
Other capital expenditure	1,820.0	2,068.7
Equity infusion by Government of India	0.1	0.1
TOTAL PLAN OUTLAY	4,340.1	4,142.2

Note:

During FY 2019-20, no Equity Support has been provided for Air India in the Union Budget, except for a token amount of Rs. One lakh as Budgetary Support, under Turnaround Plan, in view of the impending Disinvestment of AI. However, the Company is currently going through an acute phase of liquidity crisis. In the absence of Government Support, it is becoming extremely difficult to maintain the current operations of the Company.

2.5 Annual Plan Outlay 2020-21

The total budgeted IEBC expenditure of Air India during 2020-21 is approved at Rs. 1,450.0 Million, entirely for Other Capital Expenditure. The Actual Plan outgo during the year, up to the end of September 2020 is Rs. 293.0 Million.

2.6 Financial Accounting

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

3. MEETINGS OF THE BOARD OF DIRECTORS

Seven Meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report that forms part of this Report. The intervening gap between the Meetings was within the limit prescribed under the Companies Act, 2013.

4. INFORMATION ABOUT SUBSIDIARY AND JOINT VENTURE COMPANIES

The following are the wholly owned subsidiaries of the Company:

AI Airport Services Limited

Air India Express Limited

AI Engineering Services Limited

Alliance Air Aviation Limited

The Company also holds 80.38% Equity Shares of Hotel Corporation of India Limited and remaining 19.62% Shares are held by the President of India.

Further AISATS Airport Services Pvt. Ltd. is a Joint Venture between Air India Limited and Singapore Airport Terminal Services (SATS) in the ratio of 50:50. AISATS provides ground handling services



4.3 Joint Ventures and Code Share Arrangements

As on 31 March 2020, Air India, a STAR Alliance Member, had a total of 25 Code-Share Agreements that included 14 alliances with STAR carriers - Lufthansa, Austrian Airlines, Swiss, Ethiopian Airlines, Singapore Airlines, Turkish Airlines, Egypt Air, Asiana Airlines, Air Canada, EVA Air, Croatia Airlines, TAP Portugal, LOT Polish Airlines and Avianca and 11 with Non-STAR Carriers - Air Mauritius, Hong Kong Airlines, Air Astana, Flybe, Air Austral, Air India Express, SriLankan Airlines, Royal Brunei Airlines, Air Seychelles, Fiji Airways and Myanmar Airways.

All the Code-Share Arrangements are on Free Flow basis except that with Austrian Airlines and Swiss, which are on a Block Space basis.

5. FINANCING INITIATIVES

Air India had taken delivery of 6 B 787 and 1 B 777 -300 ER aircraft during the period November 2016 to March 2018.

Air India had raised USD 819 Million through Bridge financing from consortium of various foreign lenders and Offshore branches of Indian banks. As the process of disinvestment had commenced, it has been decided to defer the long term financing for these aircraft and Bridge facilities were rolled over multiple times during the last 3 years. As the existing Bridge lenders were not in agreement to further extend these Bridge facilities, it was decided to refinance the same through Short Term INR loan with maturity of one year to be backed by aircraft security and GoI Guarantee as collateral.

Air India has raised Rs. 3,381.65 Cr. from two Indian banks and concluded refinancing of 4 aircraft during the month of December 2020. Air India is in discussion with some of the Indian banks for refinancing remaining 3 aircraft.

6. FLIGHT SAFETY

6.1 WEBSITE

A dedicated website flightsafety@airindia.in has been set up which aids dissemination of vital safety related information in a cost effective manner to all employees of the Company. Our mission is to

- Ensure a sound Safety Management System
- Promote active participation of all departments in adopting optimum safety standards
- Introduce methods which enhance safety awareness
- Investigate Incidents / Accidents
- Recommend safety measures within the Training environment, thereby addressing known / perceived threats and errors

6.2 QUALITY MANAGEMENT SYSTEM (QMS)

QMS Department was issued with QMSISOIS/ISO 9001:2008 License by the Bureau of Indian Standards (BIS). QMS has now changed over to IS/ISO 9001:2015 after clearing the ISO License Renewal Audit by the Bureau of Indian Standards (BIS) with NIL non-conformities.

6.3 DOCUMENTATION MANAGEMENT SYSTEM (DMS)

A centralized Corporate Document Management System provides creation, version management,



INDEPENDENT AUDITOR'S REPORT

To the Members of Air India Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the standalone financial statements of Air India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid Standalone Financial Statements give the information (other than certain information mentioned in Para (h) of Emphasis of Matter), required by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Adjustments on account of reduction in fair value, if any, in the carrying value of Investments in three Subsidiary Companies classified as Assets held for Sale, namely, Hotel Corporation of India Limited, Alliance Air Aviation Limited (Formerly Airline Allied Services Limited) and Air India Engineering Services Limited (Carrying Value of Investments aggregating to Rs. 6,795.2 million), for which net-worth have fully eroded, have not been determined and provided in the accounts as required by Ind AS 105. Refer Note 46.
2. Non- reconciliation/non-confirmation of certain receivables, payables (including certain staff related accounts and suspense / control accounts), inventory lying with third parties, certain bank accounts/ Loans/ fixed deposit with banks and others including direct confirmation for certain cases and statutory dues. Refer Note 35, 36 & 39.
3. Non- Recognition of right of use assets and corresponding lease liabilities for leases (other than Aircrafts and Land classified as PPE in the Previous Year), as required under IND AS 116 "Leases". Refer Note 44(I).

The impact of the above qualifications on the Standalone Financial Statements, if any, is not ascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty in relation to Going Concern



The Company has incurred a net loss of Rs. 77,657.3 Million during the year ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 5,42,591.7 Million and it has accumulated losses of Rs. 7,08,759.8 Million which has resulted in complete erosion of the net worth of the Company. In spite of these events or conditions which may cast a doubt on the ability of the Company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the continued support of the Government of India and having regard to the other facts mentioned in Note No.53.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to;

- a) Note 29 regarding the possible effects of uncertainties relating to COVID-19 on Company's operations and results as assessed by the management.
- b) Note 26 A regarding non-provision of penal charges on delayed payment of Guarantee Fee amounting to Rs. 20,769.9 Million, for reasons stated therein and Note No. 51 regarding non provision of interest on delayed payments to Micro and Small enterprises wherein the amount is not ascertained.
- c) Note 49 regarding Deferred Tax Asset of Rs. 28,425.2 Million carried in the accounts in view of the reasons stated therein, the realisation of which would depend on generation of sufficient profits in the future as anticipated / projected by the management.
- d) Note 46 regarding the management's opinion that there is no decline in the carrying value of investment in a Subsidiary – Air India Express Limited (Carrying Value of Investments aggregating to Rs. 7,800.0 million) and advances (including interest) of Rs 11,347.0 Million to the said subsidiary company even though the net-worth is fully eroded, for the reasons stated therein.
- e) Note.28(iii)(h) read with Note No.46 regarding realisability of advances to subsidiary companies (including interest) of Rs 35,437.0 Million classified as 'Asset Held for Sale' as the same is being transferred at carrying value.
- f) Note 34(ii) regarding non-application of Appendix B to Ind AS 21- "The effect of changes in Foreign Exchange rates" in respect of advances received or paid in foreign currency.
- g) Note.28(iii) (i) & (m) regarding;
 - i) receipts from Air India Assets Holding Limited (AIAHL) Towards Restructuring (RFATR) of Rs 2,18,434.8 million (net of payments) being disclosed separately from the Company's Equity and Liabilities on the face of the balance sheet;
 - ii) accounting for reimbursement of Rs 15,574.7 Million for the Financial Year 2019-2020 by AIAHL towards interest and other loan related costs paid by the Company on the identified loans, as a reduction from finance cost;
 - iii) accounting for rental income Rs 1424.8 million from identified properties and Revenue sharing income of Rs 545.8 million from subsidiaries for the period from 1st October 2018 to 31st March 2020 net of related cost of Rs 64.6 million recoverable from AIAHL has been shown as adjustment from statement of Profit & Loss. Refer Note 19, 20 & 25;
 - iv) classification of certain identified properties amounting to Rs 70,583.2 million as Assets held for sale and certain identified properties amounting to Rs 4,375.7 million as Investment property;



No	AUDIT OBSERVATIONS	MANAGEMENT COMMENTS
		<p>The leases other than aircraft and land are primarily for leasing of office space, residential space, airport land space etc. In the case of land taken from AAI at different airports, these leases are primarily covered under the “Umbrella Agreement” and the same is cancellable and hence not taken under Ind AS 116. Leases other than that in India and foreign stations are for renting of office space and residential space etc which also in most cases are cancellable and not material enough.</p> <p>In view of the above, only leases pertaining to aircraft and land have been considered for reclassification under Ind AS 116.</p>
	The impact of the above qualifications on the Standalone Financial Statements, if any, is not ascertainable.	
	We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.	
	<p>Material Uncertainty in relation to Going Concern</p> <p>The Company has incurred a net loss of Rs. 77,657.3 Million during the year ended March 31, 2020 and, as of that date, the Company’s current liabilities exceeded its current assets by Rs.5,42,591.7. Million and it has accumulated losses of Rs. 7,08,759.8 Million which has resulted in complete erosion of the net worth of the Company. In spite of these events or conditions which may cast a doubt on the</p>	<p>The Company has received continuous support from the Government of India (GoI) initially through the introduction of the Turnaround Plan (TAP)/Financial Restructuring Plan (FRP) approved in 2012 and then under the Strategic Revival Plan in FY 2018-19 which has helped the Company to improve its operating and financial parameters.</p>



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No	AUDIT OBSERVATIONS	MANAGEMENT COMMENTS
	<p>ability of the Company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the continued support of the Government of India and having regard to the other facts mentioned in Note No.53.</p>	<p>The objective of the Strategic Revival Plan was to establish a strong competitive and self-sustaining airline which can be strategically divested or listed in the next few years. Focus on increasing the operational efficiencies whereby substantial increase in revenue or cost saving can be achieved.</p> <p>The details of the financial package under the Revival Plan broadly included the following:</p> <ul style="list-style-type: none"> • A total debt amounting to Rs 294,640.0million to be transferred from Air India Ltd to AIAHL viz Air India Assets Holding Co Ltd with effect from 1st October 2018 • Cash Support of Rs 39750.0million to Air India • Provide a Govt Guarantee of Rs 76000.0million, • In addition, the Gol also approved that AIAHL was to fund the interest liability on the carved-out debt of Rs 294,640.0 million proposed to be transferred to AIAHL effective 1st October 2018. <p>The above support has been duly extended to AI by the Govt of India. Also refer to Note 28.</p> <p>The Company has regularly received Equity Infusion from the Gol. Hence it is evident that the Gol is committed to pursue the path of disinvestment and through various steps taken above is aiding the Company in clearing its balance sheet and as mentioned in the PIM for disinvestment there may be further re-allocation of debts and liabilities of the Company. Further steps taken by the Company as also the Gol in light of the process of disinvestment have been discussed in detail in Note Nos28 &52. All these steps are aimed at creating a positive environment.</p> <p>It is also pertinent to note that the Gol support to Air India continues in the current FY 2020-21 also in which the aviation industry is severely affected by the COVID-19 pandemic.</p> <p>In view of the above and the financial support from the Govt of India and various measures taken by the Company to improve its operational efficiencies, various revenue enhancing measures, cost control measures undertaken etc. the Company expects improvement in its operational and financial</p>



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- * Includes properties transferred from Investment Property during the year amounting to Rs. NIL (Previous Year : Rs. 6,583.7 Million)
- ** Advances to Subsidiary Companies includes Interest Accrued amounting to Rs. 3,088.7 Million (Previous Year Rs. 2,998.9 Million)
- *** Others includes 2 B777-300 SESF aircraft along with one Spare Engine, QEC Kit, VTC Encraptor and other assets amounting to Rs. 35,514.2 Million (Previous Year : Rs. 35,223.6 Million) (Refer Note 31(iii))
- *** Previous Year figure has been regrouped by Rs. 24.6 Million on account of transfer of capital advance paid to CIDCO for land acquisition from "Other Non-Financial Assets" (Refer Note 6).
- ^ The Charges over immovable properties is not yet released from ROC as NOC from few banks is awaited. (Refer Note 13.2(a))

NOTE "11" : SHARE CAPITAL

(Rupees in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
A. AUTHORISED		
35,000.0 Million Equity Shares of Rs.10 each (Previous Year : 35,000.0 Million Equity Shares)	350,000.0	350,000.0
	350,000.0	350,000.0
B. ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES		
32,665.21 Million Equity Shares of Rs. 10 each (Previous Year : 32,665.21 Million Equity Shares)	326,652.1	326,652.1
TOTAL	326,652.1	326,652.1

B.i) Reconciliation of number of shares :

	(Number of Shares in Millions)		(Share Value Rupees in Millions)	
Particulars	2019-20	2018-19	2019-20	2018-19
Equity Shares at the beginning of the year	32,665.21	28,690.21	326,652.1	286,902.1
Add : Equity Shares Allotted during the year	-	3,975.00	-	39,750.0
Equity Shares at the end of the year	32,665.21	32,665.21	326,652.1	326,652.1

ii) Terms/rights attached to equity shares :

The Company has single class of shares i.e. Equity Shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share and is entitled to dividend declared, if any. The paid up equity shares of the Company rank pari-pasu in all respects, including dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after all the creditors have been paid. The distribution will be in proportion to the



number of equity shares held by the shareholders.

iii) **Share Holding Pattern :**

The Company is a Government Company with 100% shares held by the President of India and his nominees, through administrative control of Ministry of Civil Aviation.

iv) **Non-Cash, Bonus shares & Shares bought back :**

Aggregate number and class of shares allotted as fully paid-up in previous year pursuant to contracts without payment being received in cash, bonus shares and shares bought back for a period of 5 years immediately preceding the balance sheet date NIL (previous year NIL).

NOTE "12" : OTHER EQUITY

(Rupees in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
1. Share Application Money Pending Allotment *		
Balance as per Last Balance Sheet	-	-
Add : Additions during the year	0.1	-
	0.1	-
Less : Shares allotted during the year	-	-
	0.1	-
2. CAPITAL RESERVE		
Balance as per Last Balance Sheet	7,587.6	6,878.7
Add : Additions during the year **	186.6	1,163.5
	7,774.2	8,042.2
Less : Transfer to the Statement of Profit and Loss to offset Depreciation (Refer Note 24)	459.7	454.6
Closing Balance	7,314.5	7,587.6
3. GENERAL RESERVE ***		
Balance as per Last Balance Sheet	-	(1,436.7)
Add : Additions during the year	-	-
Less : Transfer to Retained Earnings	-	1,436.7
Closing Balance	-	-
4. OTHER RESERVES		
Foreign Currency Monetary Item Translation Difference Account (FCMITDA)		
Balance as per last Balance Sheet	(2,759.1)	(2,137.3)
Add : Exchange gain/(loss) during the year	(315.1)	(1,135.5)
	(3,074.2)	(3,272.8)
Less : Amortization during the year	2,751.8	513.7
Closing Balance	(322.4)	(2,759.1)



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Particulars	As at March 31, 2020	As at March 31, 2019
5. Surplus / (Deficit)		
Balance at the beginning of the reporting period	(626,936.3)	(539,887.8)
Add : Impact of Ind AS 116 - Leases (Refer Note 44)	(2,223.0)	-
Restated balance at the beginning of the reporting period	(629,159.3)	(539,887.8)
(Loss) for the year	(77,657.3)	(84,748.0)
Add : Transfer from General Reserve ***	-	(1,436.7)
Re-measurements of the Defined Benefit Plans through Other Comprehensive Income	(1,943.2)	(863.8)
Net deficit	(708,759.8)	(626,936.3)
6. Fair value changes on Equity Instruments through Other Comprehensive Income		
Opening Balance	792.1	743.9
For the year	(227.7)	48.2
	564.4	792.1
TOTAL (1+2+3+4+5+6)	(701,203.2)	(621,315.7)

* Share Application Money :

Share application money amounting to Rs. 0.1 Million (Previous Year: Rs. NIL) represents money paid by the Government of India towards capital infusion during the year, but allotment of shares made subsequently.

** Represents MRO Allowance received from GE towards construction of Test Cell Facility at Nagpur.

*** General Reserve of Vayudoot Ltd transferred to Retained Earnings.

NOTE "13" : BORROWINGS - NON CURRENT

(Rupees in Million)

Particulars	Non-Current		Current *	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
I Debentures	55,000.0	55,000.0	74,000.0	81,000.0
II Term Loans				
a) from Banks (Secured)	-	-	-	109,952.5
b) from Banks (Unsecured)	-	7,597.9	3,662.2	8,751.5
c) from Other Parties (Unsecured)	118.4	108.3	13.9	12.7
III Long Term Maturities of Finance Lease Obligations	-	20,293.4	-	23,539.2
TOTAL	55,118.4	82,999.6	77,676.1	223,255.9

13.1 Debentures

a) 129,000 Redeemable, Unsecured Non-convertible Debentures of face value of Rs. 1 Million each



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(Previous Year : 136,000 Debentures), are guaranteed by Government of India. Maturity Profile and Rate of interest are as set out below :

(Rupees in Million)		
Month of Redemption	Amount to be Redeemed	Rate of Interest
Dec-2031	4,714.0	9.08%
Nov-2031	10,086.0	9.08%
Sep-2031	15,000.0	10.05%
Dec-2030	4,714.0	9.08%
Nov-2030	10,086.0	9.08%
Dec-2029	4,714.0	9.08%
Nov-2029	10,086.0	9.08%
Dec-2028	4,714.0	9.08%
Nov-2028	10,086.0	9.08%
Dec-2027	4,714.0	9.08%
Nov-2027	10,086.0	9.08%
Sep-2026	40,000.0	9.84%
Total	129,000.0	

- b) Debenture Redemption Reserve as required under Section 71(4) of the Companies Act, 2013 has not been created in the absence of earned profits by the Company.
- c) Current maturities includes 74,000 Redeemable, Unsecured Non-convertible Debentures of face value of Rs.1 Million each amounting to Rs.74,000.0 Million (Previous Year : Rs. 74,000.0 Million) identified for transfer to SPV Air India Asset Holding Limited by way of Novation Agreement (Refer Note 28(iii) (b) (i))

13.2 (a) Details of Secured Term Loans from following Banks which are identified for transfer to SPV Air India Assets Holding Limited are classified as current maturities (Refer Note 28(iii) (m) (i)) :

(Rupees in Million)			
Sr No.	Restructuring Lender	As at March 31, 2020	As at March 31, 2019
1	Allahabad Bank	-	2,524.6
2	Andhra Bank	-	3,021.7
3	Bank of Baroda	-	11,346.5
4	Bank of India	-	15,107.0
5	Canara Bank	-	7,402.8
6	Central Bank of India	-	8,022.4
7	Corporation Bank	-	6,560.9
8	Dena Bank (Now merged with Bank of Baroda)	-	1,180.6
9	The Federal Bank Limited	-	1,864.1
10	IDBI Bank Limited	-	3,763.5
11	Indian Bank	-	3,757.9
12	Indian Overseas Bank	-	6,199.8



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Sr No.	Restructuring Lender	As at March 31, 2020	As at March 31, 2019
13	Oriental Bank of Commerce	-	7,648.9
14	Punjab National Bank	-	10,561.9
15	Punjab & Sind Bank	-	2,386.0
16	State Bank of India	-	5,764.8
17	Syndicate Bank	-	5,572.3
18	UCO Bank	-	4,996.6
19	United Bank of India	-	2,270.2
TOTAL		-	109,952.5

FRP Fund based loans are fully paid during FY 2019-20. However, the Charges over immovable properties is not yet released from ROC as NOC from few banks is awaited.

13.2(b) Total Unsecured Term Loan from Banks of Rs. 3,662.2 Million (Previous Year Rs. 16,349.4 Million) has been guaranteed by the Government of India.

(Rupees in Million)

Equal Number of Loan Installments	Amount of Loan as at March 31, 2020	Rate of Interest	Starting Month of Repayment	Month of Maturity
5	3,662.2	Libor + 1.80	Jun-2016	May-2020
TOTAL	3,662.2			

13.2(c) Unsecured Term Loan from Others of Rs.132.3 Million (Previous Year Rs. 121.0 Million) are guaranteed by the Government of India.

(Rupees in Million)

Equal Number of Loan Installments	Amount of Loan as at March 31, 2020	Discounted As per Ind AS as at March 31, 2020	Rate of Interest	Starting Month of Repayment	Month of Maturity
40	160.2	92.1	Interest Free	Oct-1990	Oct-2039
33	66.6	40.2	Interest Free	Oct-1987	Mar-2037
TOTAL	226.8	132.3			

13.3 Long Term Maturities of Finance Lease Obligations of Rs. NIL (Previous Year Rs. 43,832.6 Million) are guaranteed by the Government of India to the extent of Rs. NIL (Previous Year Rs. 36,932.9 Million)

13.4 Disclosure as regards Bank wise rate of interest and period of default is not made due to complexity of data & confidentiality clause with the banks. (Also refer Note 15)

* Current maturities of long term borrowings have been grouped under the head Other Current Financial Liabilities (Refer Note No.15)



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NOTE “14” : TRADE PAYABLES

(Rupees in Million)

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	-	-	267.1	163.7
Total outstanding dues of creditors other than micro enterprises and small enterprises *^	-	-	100,667.7	82,485.5
TOTAL	-	-	100,934.8	82,649.2

*** Trade Payable includes :**

Net payable to Joint Venture AI-SATS Rs. 1,344.7 Million net of TDS (Previous Year : Rs. 859.1 Million).

Net payable to wholly owned subsidiary company AI Airport Services Ltd. (AIASL) Rs.1833.0 Million (Previous Year : Rs. 606.2 Million) (Refer Note 28(iii) (h))

^ Previous Year figure have been regrouped by Rs.606.2 Million on account of reclassification of amount payable to AIASL from “Liabilities Held for Sale” to “Trade Payable”

Also Refer Note No.51 - Identification of Micro and Small Enterprises.

NOTE “15” : OTHER FINANCIAL LIABILITIES

(Rupees in Million)

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Other Liabilities				
a) Current maturities of long-term debts *	-	-	77,676.1	199,716.7
b) Current maturities of finance lease obligations *	-	-	-	23,539.2
c) Interest accrued but not due on borrowings	-	-	5,452.8	6,557.6
d) Interest accrued and due on borrowings **	-	-	7,728.2	1,981.0
e) Other Liabilities (Net) ***	43.5	47.9	52,205.0	51,669.9
f) Book Overdraft	-	-	-	-
TOTAL	43.5	47.9	143,062.1	283,464.4

* For details of Current maturities of long term debts / Finance Lease Obligation Refer Note 13.

**** Interest accrued and due includes :**

Rs.663.1 Million being interest on Secured Loans repayable on demand from Banks (Previous Year : Rs.236.6 Million), paid subsequently (Refer Note 18).

Rs.7,065.1 Million being interest on Unsecured Loans repayable on demand from Banks (Previous



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Year : Rs. 1,597.6 Million), paid subsequently (Refer Note 18).

Rs.NIL being interest on Finance Lease Obligation (Previous Year : Rs. 146.8 Million). (Refer Note 13)

*** **Other Liabilities (Net) includes :**

Rs.18,275.0 Million towards Guarantee Fee Liability (Previous Year : Rs. 14,970.6 Million)

Rs. 19,399.5 Million towards Provision for Employees including JDC impact (Previous Year : Rs. 19,332.8 Million)

Rs. 4,702.8 Million towards Delayed Payment Interest to Oil Marketing Companies (Previous Year : Rs. 8,583.2 Million)

NOTE "16" : PROVISIONS

(Rupees in Million)

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits (Refer Note 48)				
a) Gratuity	6,489.1	6,101.4	1,024.0	1,054.1
b) Leave Encashment	3,963.8	3,039.2	503.5	471.0
c) Post Employment Medical and Other Benefits	12,787.6	11,559.0	645.3	592.1
(A)	23,240.5	20,699.6	2,172.8	2,117.2
Other Provisions				
a) Re-delivery of Aircraft (Refer Note 45)	14,336.0	7,572.2	-	-
(B)	14,336.0	7,572.2	-	-
TOTAL (A + B)	37,576.5	28,271.8	2,172.8	2,117.2

NOTE "17" : OTHER NON FINANCIAL LIABILITIES

(Rupees in Million)

Particulars	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
a) Forward Sales (Net) [Passenger / Cargo] ^	-	-	22,090.6	24,690.1
b) Advance from customers (Net) *	-	-	39,909.9	35,807.1
c) Others Liabilities (Net) **	-	-	3,399.8	1,218.8
d) Frequent Flyer Programme (Refer Note 58)	401.9	-	834.1	828.7
TOTAL (A + B)	401.9	-	66,234.4	62,544.7

* Advance from customers (Net) includes Rs.37,398.6 Million (Previous Year : Rs.34,675.2 Million) pertaining to 2 B777-300 SESF Aircraft.

** Other Liabilities (Net) includes Govt. Taxes / Statutory Dues amounting to Rs.2,942.9 Million (Previous Year : Rs.764.9 Million)



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[^] Previous Year figure has been regrouped by Rs.212.8 Million on account of reclassification of Debit Balances in "Forward Sales (Net) [Passenger / Cargo]" to "Trade Receivables" (Refer Note 3)

NOTE "18" : BORROWINGS - CURRENT

(Rupees in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
I Loans repayable on demand :		
a) from Banks (Secured) #	74,479.2	113,992.6
b) from Banks (Unsecured) #	150,030.2	135,950.8
c) from Other Parties (NSSF) (Unsecured)	26,360.0	26,360.0
TOTAL	250,869.4	276,303.4

1. Secured loans repayable on demand from Banks are to the tune of Rs.22,724.3 Million (Previous Year Rs.66,857.9 Million). Details are as under :

(Rupees in Million)

Sr. No.	Name of the Lender	As at March 31, 2020	As at March 31, 2019
1	Allahabad Bank	2,250.0	3,344.0
2	Andhra Bank	-	1,005.2
3	Bank of Baroda	13,140.0	18,343.3
4	Bank of India	-	5,345.5
5	Canara Bank	2,000.0	4,853.9
6	Central Bank of India	-	2,688.8
7	Corporation Bank	-	2,162.0
8	Dena Bank (Now merged with Bank of Baroda)	-	381.9
9	HDFC Bank Ltd.	-	40.5
10	The Federal Bank Limited	-	698.3
11	IDBI Bank Limited	-	1,247.9
12	Indian Bank	-	1,280.0
13	Indian Overseas Bank	-	1,575.0
14	Oriental Bank of Commerce	-	2,575.1
15	Punjab National Bank	-	3,854.1
16	Punjab & Sind Bank	-	2,269.0
17	Standard Chartered Bank	-	7,343.3
18	State Bank of India	2,184.3	3,807.2
19	Syndicate Bank	-	1,845.9
20	UCO Bank	2,750.0	1,694.4
21	United Bank of India	-	52.6
22	PNB Discounting	400.0	450.0
TOTAL (1)		22,724.3	66,857.9

The loans to the tune of Rs.22,724.3 Million (Previous Year : Rs.66,857.9 Million) are secured by Hypothecation of 27 aircraft, 2 engines, 11 immovable properties at market value and all Current Assets



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(Previous Year : 30 aircraft, 2 engines, 11 immovable properties and all Current Assets). However equitable mortgage for 7 immovable properties with banks are yet to be created.

2. Secured loan repayable on demand from Bank is to the tune of Rs.51,754.9 Million (Previous Year Rs.47,134.7 Million). Details of Secured Loans from Banks are as under :

(Rupees in Million)			
Sr. No.	Name of the Lender	As at March 31, 2020	As at March 31, 2019
1	Investec Bank	35,865.2	32,779.5
2	First Gulf Bank	15,889.7	14,522.5
		51,754.9	47,302.0
	Less : Deferred amount of upfront fees	-	167.3
	TOTAL (2)	51,754.9	47,134.7
	TOTAL (1 + 2)	74,479.2	113,992.6

The loans to the tune of Rs.51,754.9 Million (Previous Year : Rs.47,134.7 Million) are secured by Hypothecation of 6 aircraft at market value (Previous Year : 6 aircraft).

3. Unsecured loan repayable on demand from Bank of Rs.150,030.2 Million (Previous Year : Rs.135,950.8 Million) has been guaranteed by the Government of India to the extent of Rs.143,927.6 Million (Previous Year : Rs.126,835.9 Million).

(Rupees in Million)			
Sr. No.	Name of the Lender	As at March 31, 2020	As at March 31, 2019
1	Bank of Baroda	21,750.0	21,750.0
2	Bank of Baroda	15,000.0	15,000.0
3	Bank of Baroda OD NYC *not guaranteed by GOI	3,770.4	2,955.6
4	Bank of India	15,000.0	15,000.0
5	Indusind Bank	4,212.8	10,000.0
6	Punjab national Bank	22,500.0	22,500.0
7	Punjab National Bank	15,000.0	15,000.0
8	Uco Bank	10,000.0	10,000.0
9	Uco Bank	8,250.0	8,250.0
10	Andhra Bank	7,000.0	-
11	Punjab & Sind Bank	2,000.0	-
12	Punjab & Sind Bank	8,000.0	-
13	Punjab & Sind Bank	5,000.0	-
14	SBI Bill Discounting *not guaranteed by GOI	2,332.2	6,159.3
15	SCB/FAB/Meshreq Bridge Loan	10,214.8	9,335.9
	TOTAL	150,030.2	135,950.8

- # Disclosure as regards Bank wise rate of interest and period of default is not made due to complexity of data & confidentiality clause with the banks. (Also refer Note 13 & 15)



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NOTE “19” : REVENUE FROM OPERATIONS

(Rupees in Million)		
Particulars	2019-20	2018-19
i) Scheduled Traffic Services		
1 Passenger	226,197.0	207,741.6
2 Excess Baggage	1,449.4	1,203.8
3 Mail	535.7	576.2
4 Cargo	14,850.6	14,484.0
(A)	243,032.7	224,005.6
ii) Non-Scheduled Traffic Services		
1 Charter	16,111.1	14,526.2
2 Block Seat Arrangement *	1,048.0	1,033.7
3 Subsidy for Operations from Government	-	355.0
(B)	17,159.1	15,914.9
iii) Other Operating Revenue		
1 Handling and Servicing	1,987.9	1,653.7
2 Manufacturers Credit	674.4	356.7
3 Incidental ^	10,752.0	9,821.9
4 Revenue Share from Air India Express Ltd. (Wholly Owned Subsidiary Company)	3,500.0	3,500.0
5 Revenue Share from Air India Air Transport Services Ltd. (Wholly Owned Subsidiary Company)	342.5	406.8
Less : Transferred to AIAHL (Refer Note 25)	342.5	-
	-	406.8
(C)	16,914.3	15,739.1
TOTAL (A + B + C)	277,106.1	255,659.6

* Previous Year figure has been regrouped by Rs.571.2 Million due to grossing up “Block Seat Arrangement” Revenue & Expenditure in respect of Air India Express Ltd. (Refer Note 25)

^ Identified income of Rs.72.6 Million transferred to AIAHL (Refer Note 25)



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NOTE “20” : OTHER INCOME

(Rupees in Million)		
Particulars	2019-20	2018-19
1 Interest Income on :		
a) Bank Deposits	447.1	369.0
b) Others *	595.3	693.4
c) Advances to Subsidiary Companies	4,073.0	3,923.2
2 Dividend from Long Term Investments (Trade)	66.5	72.7
3 Rental Income	976.8	901.1
Less : Transferred to AIAHL (Refer Note 25)	975.2	-
	1.6	901.1
4 Profit / (Loss) on Sale of Assets (Net)	409.0	1,225.6
5 Provisions No Longer Required written back	2,545.8	2,032.6
TOTAL	8,138.3	9,217.6

* Interest Income on Others includes interest pertaining to discounting of Security Deposits as per Ind AS amounting to Rs.286.9 Million (Previous Year : Rs.257.6 Million)

NOTE “21” : OTHER OPERATING EXPENSES

(Rupees in Million)		
Particulars	2019-20	2018-19
1 Insurance	1,581.9	941.3
2 Material Consumed - Aircraft	5,947.8	5,511.2
3 Outside Repairs - Aircraft	32,722.8	29,250.9
4 Navigation, Landing, Housing and Parking	19,423.7	19,188.2
5 Hire of Aircraft (Refer Note 44)	-	30,926.1
6 Handling Charges	16,519.8	15,878.3
7 Passenger Amenities	9,887.3	10,251.7
8 Booking Agency Commission (Net)	6,288.7	5,634.8
9 Communication Charges		
i) Reservation System	10,659.3	11,847.1
ii) Others	2,108.7	1,684.3
TOTAL	105,140.0	131,113.9

NOTE “22” : EMPLOYEE BENEFIT EXPENSES

(Rupees in Million)		
Particulars	2019-20	2018-19
1 Salaries, Wages and Bonus	15,859.3	14,284.8
2 Crew Allowances	11,449.1	11,459.2
3 Contribution to Provident and Other Funds	1,005.5	1,043.5
4 Staff Welfare Expenses	714.5	1,291.1



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Particulars	2019-20	2018-19
5 Provision for Gratuity	740.5	760.7
6 Provision for Leave Encashment	1,416.6	207.6
7 Provision for Retirement Benefit	1,068.2	1,005.4
TOTAL	32,253.7	30,052.3

NOTE “23” : FINANCE COST

(Rupees in Million)

Particulars	2019-20	2018-19
1 <u>Interest on :</u>		
a) Debentures	12,798.7	12,801.8
b) Short Term and Long Term Loans	26,894.1	33,298.8
	39,692.8	46,100.6
Less: Interest Cost Reimbursement through AIAHL (Refer Note 28(iii))	15,574.7	13,000.0
	24,118.1	33,100.6
2 Other Borrowing Costs	4,560.5	7,503.9
3 Interest on Right of Use Assets (Refer Note 44)	6,675.0	-
4 Interest on Delayed Payment other than borrowings *	3,839.0	6,508.5
TOTAL	39,192.6	47,113.0

* Includes an amount of Rs.105.0 Million (Previous Year : Rs.20.5 Million) interest charged by Subsidiary Company, AIASL on outstanding balances.

a) Exchange rate difference in the nature of interest cost has not been reclassified due to complexity of transactions.

NOTE “24” : DEPRECIATION AND AMORTIZATION EXPENSE

(Rupees in Million)

Particulars	2019-20	2018-19
1 Depreciation of Tangible Assets	13,329.7	16,002.5
2 Depreciation of Right of Use Assets (Refer Note 44)	29,919.4	-
3 Depreciation of Investment Property	2.0	59.6
4 Amortization of Intangible Assets	130.4	271.8
(A)	43,381.5	16,333.9
Less : Recoupment from Capital Reserve (Refer Note 12)	459.7	454.6
(B)	459.7	454.6
TOTAL (A- B)	42,921.8	15,879.3



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NOTE "25" : OTHER EXPENSES**(Rupees in Million)**

Particulars		2019-20		2018-19	
1	Travelling Expenses				
	i) Crew		2,555.1		2,734.2
	ii) Others		475.8		657.2
2	Rent		991.5		614.9
3	Rates and Taxes * ^ \$		429.9		77.3
4	Repairs to : ^				
	i) Buildings \$		171.3		199.2
	ii) Others #		1,039.5		699.2
5	Hire of Transport		775.4		837.3
6	Electricity & Heating Charges ^		459.6		497.8
7	Water Charges ^		27.6		7.2
8	Directors' Sitting Fees		0.5		0.7
9	Publicity and Sales Promotion		884.3		840.8
10	Printing and Stationery		135.4		118.8
11	Legal Charges		126.8		101.9
12	Payments to the Auditors' (Refer Note No.52)				
	i) Audit Fees		16.5		12.0
	ii) Other Expenses		2.3		2.5
13	Provision for Bad & Doubtful Receivables and Advances		979.3		2,109.5
14	Provision for Obsolete Inventory		32.8		1,907.7
15	Provision for Diminution in Value for Assets		94.3		-
16	Write-off of Duty Credit Entitlement under SFIS		-		388.5
17	Expenses on Block Seat Arrangements ***		778.1		723.0
18	Exchange Variation (Net) **		32,283.6		7,721.7
19	Loss on Sale of Investment		0.5		-
20	Bank Charges / Credit Card Discounts		2,638.2		2,030.5
21	Professional / Consultation Fees & Expenses		542.1		412.8
22	Miscellaneous Expenses #		3,372.2		2,427.4
23	Identified Income to be Transferred to AIAHL (Refer Note 28(iii))				
	i) Revenue Share	545.8		-	
	il) Rental Income	1,424.8		-	
		1,970.6		-	



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Particulars	2019-20		2018-19	
Less : Revenue Share (Refer Note 19)	342.5		-	
Less : Rental Income (Refer Note 20)	975.2		-	
	652.9		-	
Less : Identified cost to be recovered from AIAHL [^]	64.6		-	
		588.3		-
TOTAL		49,400.9		25,122.1

* Includes Rs.221.8 Million (Previous Year : Rs. NIL) settled under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 of Govt. of India

** Includes exchange variation on bridge loans amounting to Rs.5,654.8 Million (Previous Year : Rs. 3,272.4 Million). Also refer Note 44 for exchange variation relating to Lease Liability.

*** Previous Year figure has been regrouped by Rs.571.2 Million due to grossing up "Block Seat Arrangement" Revenue & Expenditure in respect of Air India Express Ltd. (Refer Note 19)

Previous Year figure has been regrouped by Rs.123.4 Million on account of data processing charges moved from "Repair-Others" to "Miscellaneous Expenses"

[^] **Details of Identified cost to be recovered from AIAHL for the period 1st Oct 2018 to 31st March 2020 included in the following respective heads :**

(Rupees in Million)			
Particulars	2019-20	2018-19	Total
Rates & Taxes	21.5	10.9	32.4
Repairs to Buildings	7.1	4.7	11.8
Repairs to Others	10.8	4.0	14.8
Electricity & Heating Charges	47.8	24.9	72.7
Water Charges	3.2	2.3	5.5
Incidental (Refer Note 19)	(47.7)	(24.9)	(72.6)
TOTAL	42.7	21.9	64.6



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS OF AIR INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

(Rupees in Million except otherwise stated)

26. Contingent Liabilities & Contingent Assets:

A. Contingent Liabilities (to the extent not provided for):

Claims against Company not acknowledged as debts (excluding interest and penalty, in certain cases) and the required information, in compliance of Ind AS 37, are as under:

(Rs in million)			
No	Description	Balance as on 31st March 2020	Balance as on 31st March 2019
(i)	Pax Claims on account of Misc. Commercial Reasons.	405.6	417.3
(ii)	Income Tax Demand Notices received by the Company which are under Appeal	1,122.4	1,240.4
(iii)	Customs Duty, Octroi, Entry Tax, Service Tax, VAT and GST demanded by the Tax Authorities	10,292.5	9,388.8
(iv)	Property Taxes/House Tax demanded by the Municipal Authorities	107.7	111.0
(v)	Claims of Airport Operators/Others (*)	1,250.0	1,221.1
(vi)	Other Claims on account of Staff/Civil/Arbitration/Labour Cases pending in Courts	1,627.4	1,931.4
(vii)	Additional Govt Guarantee Fee (**)	20,769.9	17,470.4
	Total	35,575.5	31,780.4

Explanatory Statement in respect of Contingent Liabilities

Claims of Airport Operators/Others (*): Represents the difference in the reconciliation of balances with respective parties.

Government Guarantee Fee ()**: The Company has taken up the issue of waiver of guarantee fee and related penal charges with the Ministry of Finance through the Ministry of Civil Aviation. As regards the penal charges on the delayed payments of Guarantee Fee, the Company has disclosed a Contingent Liability for the same amounting to Rs. 20,769.9 million (PY: Rs. 17,470.4 million).

B. Contingent Assets

During the year 2017-18, the Hon'ble Supreme Court of India has vacated the stay granted by the Hon'ble High Court of Delhi in respect of implementation of tariff fixed by AERA applicable with effect from 01/01/2016. In this regard the tariff fixed for the 2nd control period (i.e. from 1.1.2016), was lower than the tariff fixed for the 1st Control Period (tariff prior to 1.1.2016). In view of this judgment, DGCA issued AIC (Aeronautical Information Circular) for the implementation of 2nd Control period tariff with immediate effect. In the intervening period DIAL has collected from Air India, an excess amount to the tune of Rs 2,298.7 million (PY: Rs 2,298.7 million) (approx) on account of Landing & Parking Charges. The Company has requested AERA that while fixing the tariff, the airlines who have shouldered the burden of excess amount collected maybe compensated by way of discount in tariff in proportion to the excess amount collected by DIAL from respective airlines.



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However, AERA has pointed out that, the realised non- aeronautical revenue in the past few years does not exhibit a clear trend, a true-up will be provided for the non-aeronautical revenues based on the actual realised non-aeronautical revenues, at the time of tariff determination in the third control period. In view of above and since the inflow of economic benefits in respect of such claims cannot be measured due to uncertainties that surround the related events/circumstances, the same has been shown as Contingent Assets.

27. Commitments:

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account are given hereunder:

Particulars	(Rs in Million)	
	As on 31 st March 2020	As on 31 st March 2019
Aircraft Related Payments	5,645.1	2,195.5
Others	607.9	912.0
Total	6,253.0	3,107.5

(ii) Other Long-Term Commitments

Corporate Guarantees, Letters of Comfort given by the Company on behalf of its Subsidiary Companies:

Particulars	(Rs in Million)	
	As on 31 st March 2020	As on 31 st March 2019
Air India Express Ltd	8,530.8	8,011.9
Alliance Air Aviation Ltd	4,554.4	4,273.0

Against the above Guarantees given by Company, guarantee fee/commission has been charged by the Company at the rate of 0.5%.

28. Disinvestment of Air India Limited

(i) Background to Disinvestment

- The Government of India (GoI) had given an 'In-Principle' approval for the Strategic Disinvestment of Air India by way of transfer of management control and sale of 100% equity share capital of Air India held by GoI which will include AI's shareholding interest of 100% in AIXL and 50% in AISATS. The GoI has appointed the Transaction Advisor, Legal Advisor and Asset Valuer to guide the GoI and to carry forward the process of Disinvestment.
- A Special Purpose Vehicle (SPV) was created for warehousing accumulated working capital loans not backed by any asset along-with four subsidiaries AIATSL, AIASL, AIESL, HCI, non-core assets, paintings and artifacts and other non-operational assets. Accordingly, AIAHL, Air India Assets Holding Ltd (AIAHL) was formed.
- The Preliminary Information Memorandum (PIM) was published in March 2018 to invite the Expression of Interest (EoI) from interested parties to bid for the Disinvestment of the Company. However, no bids were received for this EoI.
- Pursuant to the fact that no bids were received on the above EoI issued in March 2018, the Air India Specific Alternate Mechanism (AISAM) in its meeting held on 18th June 2018 decided that:



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- i) In view of the volatile crude prices and adverse fluctuation in exchange rates, the present environment is not conducive to stimulate interest amongst investors for strategic disinvestment of Air India in the near future.
 - ii) To undertake near and medium-term efforts to capture operational efficiencies and to improve the performance of Air India.
 - iii) To monetize non-core land and building assets
 - iv) To separately decide the contours of the mode of disposal of the subsidiaries viz. AI Engineering Services Ltd (AIESL), AI Airport Services Ltd (AIASL) and Alliance Air Aviation Ltd (AAAL)
 - v) Once the global economic indicators including oil prices and the forex regime stabilizes, the option of strategic disinvestment of Air India should be brought before AISAM, for deliberating the future course of action.
- e) Accordingly, in line with the above decisions conveyed by AISAM, and in view of the deteriorating financial health of Air India Ltd, a Strategic Revival Plan was formulated to take AI back on the path of profitability. The main modalities/directions of this Plan were discussed in the meeting taken by the Hon'ble Finance Minister to discuss the "Plan for Operational & Financial Efficiency in Air India" on 7th September 2018.
- f) After deliberations in the meeting held on 7th September, 2018 under the chairmanship of Hon'ble Finance Minister the "Plan for Operational & Financial Efficiency in Air India" was approved. In the subject meeting it was decided that Debt amounting to Rs 294,640.0 million to be transferred from Air India Ltd to AIAHL viz Air India Assets Holding Ltd effective 1st October 2018.
- g) A Framework Agreement has been executed to give effect to the various transactions relating to AIAHL. The agreement covers the issue of payment of identified loans from the funds to be provided by AIAHL, novation of the NCDs, transfer of the four Subsidiary Companies, the transfer of identified assets/liabilities, transfer of the proceeds of monetization of properties etc to AIAHL.
- h) Accordingly, the various decisions of the GoI on the disinvestment of AI, amounts to vesting to AIAHL of debt to the extent of Rs 294,640.0 million against transfer of subsidiaries, non-core assets, paintings and artifacts. The specially formed SPV-AIAHL has therefore accepted liabilities of Air India against the Investments/Assets being transferred. The exact value would be determined only after the actual monetization of properties and sale of subsidiaries is completed.
- (ii) **Revised Preliminary Information Memorandum (PIM) Issued for the Strategic Disinvestment of Air India Ltd in January 2020**

As the overall outlook for aviation sector was stable, the Govt decided to renew the process of disinvestment of AI and accordingly, Department of Investment and Public Assets Management (DIPAM) has issued a fresh PIM on 27th January 2020 for the strategic disinvestment of Air India Ltd including AI's shareholding interest in Air India Express Ltd (AIXL) and AISATS.

The disinvestment exercise of AI has been adversely impacted by the outbreak of COVID-19 pandemic in India starting mid of March 2020. A nationwide lockdown in India was imposed from March 25th 2020, followed by multiple extensions in the lockdown/restrictions imposed by various State Govts. Similar lockdowns were imposed in different parts of the world as well. Considering the prevailing situation arising out of COVID-19, the last date of submission of EoI has been periodically extended and the last date for receipt of EoI is now 14th December 2020.



As per the PIM there is a provision that further debt (to be determined on the basis of the bids received) would be allocated to AIAHL. Similarly, the current & non-current liabilities of AI & AIXL would be reallocated to AIAHL such that the liabilities retained in AI & AIXL would be equal to the current and non-current assets of AI and AIXL.

(iii) Transactions with AIAHL relating to Disinvestment of Air India Ltd

- a) In line with the decision of AISAM, a Company by the name of Air India Assets Holding Ltd (AIAHL) has been incorporated with 100% shareholding held by the Government. This entity is an SPV specially formed for the purpose of acquiring from Air India Limited
 - i) Its shares held in AIASL, AAAL, AIESL and HCI
 - ii) Paintings artifacts and other non-operational assets as may be decided by Air India Ltd and the Government of India
 - iii) Non-core assets as may be decided by Air India Ltd and the Government of India
 - iv) Immoveable properties whether leasehold or freehold
 - v) Accumulated working capital loans not backed by any asset and
 - vi) Other assets / liabilities or of its subsidiaries, as may be decided by Air India Ltd/ Government of India
- b) Pursuant to the decisions taken in the various AISAM meetings stated above, Air India began the exercise of transfer of identified debt amounting to Rs 294,640.0 million as on 1st October 2018. However, in view of lenders approval for transfer not forthcoming, the debt transfer could not take place and the debt continued to be in the books of Air India Limited. In view of these constraints, the Ministry of Finance approved a refinancing strategy for the identified debt. Based on the meeting held on 30th May, 2019 in the Ministry of Finance, it was decided that AIAHL would raise finances in the following manner to refinance the identified debt of Air India amounting to Rs 294,640.0 million:
 - i) Non-Convertible Debentures (NCD) of Rs 74,000.0 million to be novated to AIAHL against Gol guarantee
 - ii) Issue of Govt Fully Serviced Bonds for Rs 70,000.0 million against Letter of Authorization
 - iii) Issue of Bonds worth Rs 150,640.0 million with full Government Guarantee for the payment of interest and principal thereof,
- c) Air India continued to service the interest on the identified loans and the same was reimbursed to AI by AIAHL. Accordingly, a sum of Rs 13,000.0 million in FY 2018-19 and Rs 17,637.4 million in FY 2019-20 was received from AIAHL as reimbursement for the payment of interest/ other costs on transferred loans.
- d) Consequent to the issuance of Bonds by AIAHL, AI received from AIAHL Rs 219,850.0 million towards repayment of the Loans.
- e) As seen from Paragraph (a) above along with the transfer of debt of Air India to AIAHL, certain assets of Air India are also part of the transfer to AIAHL. Some of these assets which are part of the proposed transfer are earning income including rental income, licensee fee, lease amount, revenue sharing or other revenues. These assets will be monetized and the proceeds received after 1st October 2018 are to be credited to AIAHL through an escrow mechanism for ultimately servicing the transferred debts.
- f) Accordingly, Air India had identified 111 such properties as non-core assets for monetization purposes. Out of these properties 22 properties have already been sold and 3 properties



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have been already surrendered back to the respective allotting authorities. The remaining 86 properties are reflected in 'Assets held for Sale/Transfer/Surrender' and 'Investment Properties' as given hereunder:

Particulars	No of Properties	Net Block Value As on 31.03.2020 (Rs in Million)
Assets Held for Sale	84	70,583.2
Investment Properties (*)	2	4,375.7

(*) Being redeveloped under an agreement prior to monetization

Further, out of the above 84 properties included in Assets Held for Sale, 41 properties having a Net Book Value Rs 3,563.8 million as on 31st March, 2020 have further been identified for surrender to the respective allotting authorities and the proceeds of the same will be transferred to AIAHL.

- g) As per the Framework Agreement the beneficial interest in the identified assets remains with Air India until the legal effective date of transfer. Since the properties are still in the name of Air India, the Company i.e. Air India will be disposing off these properties and the sale proceeds of the same will be transferred to the AIAHL through the escrow mechanism as and when received. The Rental Income and the Revenue Sharing arrangements with the Subsidiary Company viz. AIASL is accounted for as income in the books of Air India. However, as per the Framework Agreement AI shall pay AIAHL such identified income (net of cost) on or after 1st October 2018, and hence the same has been adjusted in the Statement of Profit & Loss (refer Note 25).
- h) As part of the proposal of transfer of debt to AIAHL, the investments in Subsidiary Companies including investment in Equity Shares and any balance receivable from the Subsidiaries will be transferred to the AIAHL. Accordingly, the investment in Subsidiary Companies along with receivables relating to the Subsidiary Companies which are proposed to be transferred to AIAHL, have been presented as "Assets held for Sale". therefore, the following Subsidiary Companies balances will be transferred to the AIAHL:

(Rs in Million)					
No	Name of Sub Co	Investments		Receivables	
		As on 31.3.2020	As on 31.3.2019	As on 31.3.2020	As on 31.3.2019
a)	Alliance Air Aviation Ltd(AAAL) (Formerly known as Airline Allied Services Ltd (AASL))	4,022.5	4,022.5	17,060.7	16,681.9
b)	AI Airport Service Ltd (AIASL) (Formerly known as Air India Air Transport Services Ltd (AIATSL))	1,384.2	1,384.2	-	-
c)	AI Engineering Services Ltd (AIESL)	1,666.7	1,666.7	14,942.5	17,181.7
d)	Hotel Corporation of India Limited (HCI)	1,106.0	1,106.0	3,433.8	3,052.1
	Total	8,179.4	8,179.4	35,437.0	36,915.7

The Net amount payable to AIASL of Rs 1,833.0 million (PY: Rs 606.2 million) has been included



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in “Trade Payables” as only receivables from subsidiary Company have been classified as “Assets Held for Sale”.

- i) The Framework Agreement executed between AI and AIAHL lists out the obligations of both the parties. The legal transfer of the Subsidiaries and non-core assets would follow the due process and requires approvals of the relevant authorities. It is agreed by both parties that on completion of all the obligations by AI listed in the Framework Agreement, would be full and adequate consideration for the obligations of AIAHL. As the entire process of transfer of Subsidiaries, Assets and novation of NCDs is not completed in the FY 2019-20, the receipt of funds from SPV and the proceeds of Assets monetized have been credited to a new account “Receipts from AIAHL Towards Restructuring A/c” (RFATR). The balance in this account of Rs 218,434.8 million has been shown as a separate line item between “Equity” and “Liabilities” in the Financial Statements. After the entire transaction is completed the balance in the RFATR A/c will be transferred to “Other Equity”.
- j) Similarly, the amounts due to/from AIAHL have been shown in the Financial Statements under the head “Liabilities” in the account namely “AIAHL Intermediary Settlement A/c”.
- k) The two new accounts opened to record the transactions relating to AIAHL namely “Receipts from AIAHL Towards Restructuring (RFATR) A/c” and “AIAHL Intermediary Settlement A/c” as on 31st March 2020 are summarized below:

No	Particulars	(Rs in Million)
(I)	Receipts from AIAHL towards Restructuring (RFATR) A/c	
	Receipts from AIAHL towards Repayment of Loans	219,850.0
	Add: Amount to be adjusted from monetization proceeds	790.0
	Total amount received towards repayment of identified Loans	220,640.0
	Less: Monetization proceeds from the sale of identified properties	2,205.2
	Net Balance in RFATR A/c	218,434.8

No	Particulars	(Rs in Million)	
(II)	Details of AIAHL Intermediary Settlement A/c		
	Total amount of identified Loans repaid		2,20,640.0
Less:	Receipts from AIAHL towards Repayment of Loans		2,19,850.0
Less:	Reimbursement received from AIAHL towards Interest/Other Charges		30,637.4
	Balance		(29,847.4)
Add:			
a)	Interest due from AIAHL	28,574.7	
b)	Maintenance expenses recoverable from AIAHL	64.6	
c)	Salary etc recoverable from AIAHL	1.6	
d)	Legal Charges recoverable from AIAHL	43.4	28,684.3
Less:			
a)	Rent payable to AIAHL	1,424.8	
b)	Revenue Sharing amount payable to AIAHL	545.8	
c)	Monetization proceeds payable to AIAHL (Rs 2205.2 million less Rs 312.7 million directly transferred through Escrow)	1,892.5	(3,863.1)
	Net Amount Receivable/(Payable) from/to AIAHL		(5,026.2)



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- l) The above amount due to AIAHL will be reconciled after adjustment of all expenses incurred by Air India towards novation of Bonds of Rs 74000.0 million, maintenance cost of properties, transfer charges, exchange adjustments if any, and impact of receivable/(payables)from/ (to) SubsidiaryCompanies like AIESL, AAAL, HCI and AIASL as well as any reimbursements received from AIAHL.
- m) The effect of all the decisions of various AISAM meetings and decisions of the Government stated above are reflected in the Financial Statements as summarized below:
 - i) Out of the identified loans proposed to be transferred to AIAHL, loans amounting to Rs 220,640.0 million have been repaid out of the amount of Rs 219,850.0 million received from AIAHL during the year and the same is reflected in the RFATR A/c.
 - ii) Out of the reimbursement of Rs 30,637.4 million from the AIAHL during FY 2018-19 and FY 2019-20 towards interest and other loan related costs paid by Air India on the identified loans, a sum of Rs 13,000.0 million has been netted off against Finance cost for the financial year 2018-19 and Rs 15,574.7 million for the financial year 2019-20.
 - iii) The Rental Income of Rs 1,424.8 million received from the identified properties and the Revenue Sharing of Rs 545.8 million for the period from 1st October 2018 to 31st March 2020 payable to AIAHL and related cost amounting to Rs 64.6 million recoverable from AIAHL has been adjusted in the Statement of Profit & Loss (refer Note 25).
 - iv) As stated above in 28(iii)(f), the book values of the 84 identified properties amounting to Rs 70,583.2 million, are appearing under "Assets held for Sale" and the book values of 2 identified properties amounting to Rs 4,375.7 million are appearing under "Investment Properties".
 - v) The aggregate value of investments in 4 subsidiaries amounting to Rs 8,179.4 million and advances given to the subsidiaries along with interest accrued thereon amounting to Rs 35,437.0 million are classified as "Assets held for Sale".
 - vi) Assets held for sale/transfer/surrender identified to be transferred to the AIAHL have also been taken at book value as on 31st March 2020. The gain/loss on assets which have been sold from 1st October 2018 to 31st March 2020 have been accounted for in the Financial Statements of AI.

29. Impact of COVID-19 on Air India Ltd

The global outbreak of COVID-19 pandemic and the nation-wide lockdown imposed from 25th March 2020 and followed by multiple extensions in lockdown/ restrictions imposed by Central/State Governments had a major impact on the aviation industry. Similar lockdowns were imposed in the different parts of the world as well, leading to a severe dent on the business of the Company. AI had to cease all scheduled domestic and international operations in compliance with the directions issued by the DGCA in the aftermath of the pandemic.

The suspension of all air traffic during this period saw the revenues of the Company plummeting and at the same time, committed and obligated expenditure such as loan repayments, payments to aircraft lessors, salaries etc had to be met during this period leading to a further dent in the already strained financial position of the Company.

Nevertheless, the Company, during this period, on the directions of the Government, conducted some essential air operations to mitigate the hardships brought forward by the unprecedented pandemic times. This included the operation of non-scheduled flights under the Vande Bharat Mission to evacuate stranded fellow citizens throughout the globe. In addition, AI also conducted special charter flights on



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domestic and some international sectors to facilitate the movement of essential medical and other supplies to various parts of the country and the world. Subsequently, the DGCA also permitted resumption of domestic operations in a calibrated manner with effect from 25th May 2020.

In light of the COVID 19 pandemic, GOI restrictions on domestic and international flights and other prevailing situation, it is very difficult to assess the air passenger and cargo traffic volume for the coming years. This has directly affected the operations and revenues of aviation sector including AI.

However, on its own part, the Company during the COVID period has introduced various measures/steps to partially offset the adverse financial impact arising out of these difficult times. These include the introduction of salary/allowance cuts across the board for all employees, suspension of all post retirement contractual engagements, introduction of the concept of shorter working week, encouraging the employees to take advantage of the Leave without Pay Scheme etc. The Company also engaged its aircraft lessors in negotiations to secure cuts in lease payments, exercised strict control over vendor payments to ensure best possible use of scarce funds availability.

All airlines including Air India have seen a steep decline in their scale of operations during the first two quarters of FY 2020-21. The estimates of recovery from the impact of COVID-19 have been made by various stakeholders and in most cases, normalcy is projected to return by only around FY 2024 i.e. within 4 to 5 years. Scientific advancements in the fight against COVID-19 and the development of a vaccine to control the pandemic will decide the shape and speed of return to normalcy and which in turn, will determine the nature and traction of global economic recovery from the impact of COVID-19.

The Company has also assessed the impact of COVID-19 on the impairment in the carrying value of its assets, inventories, receivables etc appearing in its financial statements. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions manifested by the pandemic, the Company has relied on various internal and external sources of information. Based on the current indicators of future economic conditions, the management expects to fully recover the carrying value of all its assets. However, given the uncertainties, the final impact on the Company's Financial Statements and Cash Flows cannot be predicted at this time and in future may differ from that estimated as at the date of approval of these financial statements. Further, the impact assessment does not indicate any adverse impact on the ability of the Company to continue as a going concern.

The COVID-19 pandemic is still impacting all economic activities worldwide in varied ways and any current estimates to mitigate its impact need to be continuously monitored and reassessed. The management will continue to closely monitor any material changes based on the future economic conditions.

30. Property, Plant and Equipment, ROU and Investment Properties

- i) ROU Assets (Land Leasehold) include certain properties for which title deeds are not available. Details of the same is as under:

(Rs in Million)						
Particulars	31.03.2020			31.03.2019		
	Area (SqMtrs)	Gross Block	Net Block	Area (SqMtrs)	Gross Block	Net Block
Land Leasehold	76,874.0	180.0	180.0	76,874.0	180.0	180.0

- ii) Air India was allotted leasehold land measuring 1,00,021.60 sq.mtrs. by CIDCO at Nerul for Staff Housing Colony. On the above referred land, Air India had constructed 508 flats on a portion of land admeasuring 28,626 sq. mtrs and it has been decided to sell these flats to the employees



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(Rs in million)

No	Name of Subsidiary/JV	Balance (Payable)/ Receivable as per Air India Ltd as on 31.3.2020	Balance (Payable)/ Receivable as per Subsidiary Co. as on 31.3.2020	Difference
1	Air India Express Ltd (AIXL) (Formerly known as Air India Charters Ltd (AICL))	11,347.0	(11,347.0)	-
2	Alliance Air Aviation Ltd (AAAL) (Formerly known as Airline Allied Services Ltd (AASL))	17,060.7	(16,903.3)	(157.4)
3	Hotel Corporation of India Ltd (HCI)	3,433.8	(3,433.8)	-
4	AI Airport Services Limited (AIASL) (Formerly known as Air India Air Transport Services Ltd (AIATSL))	(1,833.0)	1,833.0	-
5	AI Engineering Services Ltd (AIESL) (Formerly known as Air India Engineering Services Ltd)	14,942.5	(14,747.0)	(195.5)
6	Air India SATS (AI-SATS) JV	(1,344.7)	1,357.3	(12.6)

Note: The differences as stated above are under reconciliation as on 31st March 2020.

In view of continuity of the operations of these Subsidiary Companies, the total advances outstanding as stated above are, in the opinion of the management, considered good and realizable in the normal course of business.

47. Payments to and Provisions for Employees:

- i) Liability for wage arrears includes Rs 2,076.3 million (Net), (PY Rs. 2,076.3 million Net) arrived on ad-hoc basis towards wage settlement up to period 31st December 2006 pending finalization of actual liability.
- ii) In view of Department of Public Enterprises (DPE) guidelines applicable to PSUs no wage revision can be granted to the employees of loss-making PSUs. The Company has been making losses since 1st January 2007 hence no provision has been made towards wage revision/settlement.
- iii) Revised Basic Pay on the basis of Justice Dharamadhikari Committee Report

Based on Justice Dharamadhikari Committee (JDC) recommendations, the Revised Basic Pay (RBP) had been implemented for all the categories of the employees from different dates. The total provision towards the balances payable to the employees on account of the implementation of the JDC recommendations as on 31st March 2020 is Rs 13,319.1 million (PY: Rs 13,319.1 million). In the opinion of the Company, this provision will substantially cover all liabilities arising on the implementation of the JDC recommendations. Air India has made an adhoc payment in previous years of Rs 173.4 million to employees against the referred provision

- iv) A total amount of Rs 391.3 million (PY: Rs 400.4 million) is recoverable from Pilots on account of Pilots Training Cost. The same is recoverable in installments as per each individual Pilot's terms of employment. The same is being reconciled and reviewed for any non-recovery. However, in a few cases due to pending litigation in High Court, the training cost recovery has been kept in abeyance as



b) Risk Table

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Rate Risk, Longevity Risk and Salary Risk.

Investment Risk	As the defined benefit plans are not funded, the Company is not exposed to any investment risk.
Interest Risk	A decrease in the Government Securities bond interest rate will increase the plan liability.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

49. DEFERRED TAX ASSETS / (LIABILITY)

The Company has recognized Deferred Tax Assets in earlier years amounting to Rs 28,425.2 million. In the subsequent years, the Company has continued to carry this balance of Net Deferred Tax Assets and no further amounts have been recognized as a matter of prudence. The details of the same are given below:

i) Deferred Tax Assets/Liabilities

(Rs in Million)			
S.No	Particulars	As at 31 st March 2020	As at 31 st March 2019
(A)	Deferred Tax Liability		
(i)	Related to Fixed Assets	56,701.7	70,508.1
(ii)	Related to Foreign Currency Monetary Items (FCMI)	81.1	860.8
	Sub-Total (A)	56,782.8	71,368.9
(B)	Deferred Tax Assets		
(i)	Unabsorbed Depreciation	85,208.0	99,794.1
	Sub-Total (B)	85,208.0	99,794.1
	Net Deferred Tax Asset/(Liability)	28,425.2	28,425.2

Although, the Company is in the process of evaluating adoption of the concessional tax regime but as a matter of prudence has re-computed Deferred Tax Assets/ Liabilities in consonance with the new concessional tax regime and accordingly computed the above figures at the net tax rate of 25.168%.

ii) Details of the Total DTA not recognized as on 31st March 2020:

The Total DTA available against Depreciation/Business/Other Disallowances Losses as on 31st March 2020 are Rs. 200,738.1 million (PY: Rs 242,628.3 million). Out of this available DTA amount, the Company has only recognized DTA amounting to Rs. 85,208.0million(PY: Rs 99,794.1 million) (Gross) as detailed above against Depreciation Losses only. Accordingly, as at 31st March 2020 the Company still has got total unrecognized DTA amount of Rs 115,530.1 million (PY: Rs 142,834.2 million), which as a matter of prudence has not been recognized in the books. The details of the



unrecognized DTA balances are given below:

(Rs in Million)		
Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Unabsorbed Depreciation	7,792.9	10,481.7
Brought Forward Business Losses	89,833.1	115,484.8
Other Temporary Differences	17,904.1	16,867.7
TOTAL	115,530.1	142,834.2

The unused tax losses and unabsorbed depreciation considered above are based on the tax records and returns of the Company and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels.

The Govt of India approved the Revival Plan of the Company through which a series of measures were introduced to improve the operational and financial efficiencies as detailed in Note 28 and 53. Further, the Company is under the disinvestment process as approved by the Govt of India. The Company is therefore hopeful of showing improved performance in the future and accordingly, has reasonable certainty that the deferred tax assets recognized will be realized against future taxable profits. Further, the Deferred Tax Assets have been created against carry forward Depreciation only which are available to the Company indefinitely as per the provisions of the Income Tax Act.

iii) **Reconciliation of Effective Tax Rate**

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate as adopted by the Company for the year ended 31st March 2020 and 31st March 2019:

(Rs in Million)				
Particulars	For the year ended 31 st March 2020		For the year ended 31 st March 2019	
	Rate (%)	Amount	Rate (%)	Amount
Profit/(Loss) Before Tax		(77,657.3)		(84,748.0)
Applicable Tax Rate	31.20%	24,229.7	31.20%	26,441.4
Deferred Tax asset not recognized on above	-	(24,229.7)	-	(26,441.4)
Tax expense for the year	-	Nil	-	Nil
Effective Tax Rate	Nil	-	Nil	-

50. Earnings Per Share

Particulars	For Year ended 31.03.2020	For Year ended 31.03.2019
Profit/(Loss) After Tax for the year (Rs in Million)	(77,657.3)	(84,748.0)
Weighted Average No. of Equity Shares	32,665,210,000	29,238,360,685
EPS (Rs. per Share) (Basic)	(2.38)	(2.90)
EPS (Rs. per Share) (Diluted)	(2.38)	(2.90)



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51. The Micro and Small Enterprises Development Act

Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Amount remaining unpaid to supplier covered under MSMED Act at the end of the year.

(Rs in Million)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Principal	267.1	163.7
Interest	Nil	Nil
Total	267.1	163.7
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Note: There have been delays in making payments to some of these enterprises, however, in the opinion of the management the interest is not expected to be material.

52. Remuneration to Auditors

The details of the audit fees and expenses of the Auditors: -

(Rs in Million)		
Particulars	2019-20	2018-19
Audit Fee for the year	16.5*	12.0*
Other Expenses	2.3	2.5
Total	18.8	14.5

* includes FY 2018-19 arrears of Rs 3.0 million (PY: Rs.1.5 million)

53. Going Concern

The Company has received continuous support from the Government of India (GoI) initially through the introduction of the Turnaround Plan (TAP)/Financial Restructuring Plan (FRP) approved in 2012 and then under the Strategic Revival Plan in FY 2018-19 which has helped the Company to improve its



operating and financial parameters.

The objective of the Strategic Revival Plan was to establish a strong competitive and self-sustaining airline which can be strategically divested or listed in the next few years. Focus on increasing the operational efficiencies whereby substantial increase in revenue or cost saving can be achieved. The Revival Plan contained the following major components:

- a) Organizational Reforms
- b) Financial Package
- c) Disinvestment of Subsidiaries
- d) Sale of non-core Assets
- e) Improving Internal Efficiencies
- f) Tapping the human resource potential to the fullest

The details of the financial package under the Revival Plan broadly included the following:

A total debt amounting to Rs 294,640.0 million to be transferred from Air India Ltd to AIAHL viz Air India Assets Holding Co Ltd with effect from 1st October 2018

- Cash Support of Rs 39,750.0 million to Air India
- Provide a Govt Guarantee of Rs 76,000.0 million,
- In addition, the GoI also approved that AIAHL was to fund the interest liability on the carved-out debt of Rs 294,640.0 million proposed to be transferred to AIAHL effective 1st October 2018.

The above support has been duly extended to AI by the Govt of India. Also refer to Note 28.

The Company has regularly received Equity Infusion from the GoI. Hence, it is evident that the GoI is committed to pursue the path of disinvestment and through various steps taken above is aiding the Company in clearing its balance sheet and as mentioned in the PIM for disinvestment there may be further re-allocation of debts and liabilities of the Company. Further steps taken by the Company as also the GoI in light of the process of disinvestment have been discussed in detail in Note 28. All these steps are aimed at creating a positive environment.

In view of the above and the financial support from the Govt of India and various measures taken by the Company to improve its operational efficiencies, various revenue enhancing measures, cost control measures undertaken etc. the Company expects improvement in its Operational and Financial Performance, in the near future and hence, the Financial Statements of the Company have been prepared on the 'Going Concern' basis.

54. Impairment of Assets

The Company has carried out an assessment of the impairment of its non-financial assets as on the Balance Sheet date in accordance with Ind AS 36. For the purpose of such impairment testing, all assets of the Company have been considered as a single Cash Generating Unit (CGU) and the value in use has been determined based on the future projections/forecast having regard to the Revival Plan for Operational & Financial Efficiency as described in detail in Note 28 & 29. Based on such assessment, there is no impairment in the carrying value of the assets to be recognized at this stage.

Further, the Company has also assessed the impact of COVID on the impairment in the carrying value of its assets, inventories, receivables etc appearing in its financial statements. In developing the



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is held by the Company and are derived from revenue earned from customers. General Sales/ Cargo Agents dues are secured by Bank Guarantees by Airline and/or IATA. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of agents to which the Company brands credit terms in the normal course of the business.

The Company sells majority of its passenger/cargo services against credit worthiness and financial guarantees made by agents (customers) to IATA though individual guarantees are also taken in certain cases. The Company also extends credit to the Government on flights operated and which are realized over a period of time depending on budgetary provisions made by the Govt to the respective departments

The Company uses expected credit loss model to assess the impairment on financial Instruments. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivable. The provision matrix considers available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivable is in default (credit impaired) if the payments are more than 36 months past due (in case of IATA dues more than 6 months past dues)

The Companies exposure to credit risk for Trade Receivables is as follows:

(Rs in Million)

Particulars	As at 31/03/2020		As at 31/03/2019	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Debts not due	1,937.8	-	7,933.5	-
Debts over due	23,230.8	11,412.5	22,989.3	10,789.0

Movement in the allowance for impairment in respect of Trade Receivables:

(Rs in Million)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Balance at the beginning of the Year	(10,789.0)	(10,328.0)
Movement during the year	(623.5)	(461.0)
Balance at the end of the Year	(11,412.5)	(10,789.0)

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation associated with its Financial Liabilities that are settled by delivering cash or another Financial Assets.

The Company's approach to manage Liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has been experiencing liquidity problems due to delayed equity infusion by the Govt and the high debt burden

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances of Rs. 13,104.1 million as at 31st March 2020 (PY: Rs. 8,792.7 million) anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligation in the ordinary course of business provided



there is equity infusion and assistance from the Government. However, if liquidity needs were to arise, the Company believes it has access to financing arrangement, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and liquidity requirement. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirement as necessary. However, the Company relies on Government support to conserve its liquidity position.

The Company's liquidity management process as monitored by management includes the following: -

- a) Day to day funding, managed by monitoring future cash flows to ensure that requirement can be met.
- b) Maintaining rolling forecast of the Company's liquidity position on the basis of expected cash flows.
- c) Maintaining diversified credit lines.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amount is gross and undiscounted (except Lease Liabilities), and includes interest accrued

As at 31 st March 2020	Carrying Amount as per Trial Balance	Contractual Cash Out Flows (Rs in Millions)						
		Upto 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	More than 5 years	Total
Borrowings								
a) Non-Convertible Debentures (Note - 13)	129,000.0	74,000.0	-	-	-	-	55,000.0	129,000.0
b) Long Term Borrowings (Note - 13)								
- From Banks (Unsecured)	3,662.2	3,662.2	-	-	-	-	-	3,662.2
- From Other Parties	132.3	14.0	9.0	8.0	8.0	7.0	86.3	132.3
c) Short Term Borrowings (Note - 18)								
- From Banks (Secured)	74,479.2	74,479.2	-	-	-	-	-	74,479.2
- From Banks (Unsecured)	150,030.2	150,030.2	-	-	-	-	-	150,030.2
- From Other Parties (Unsecured)	26,360.0	26,360.0	-	-	-	-	-	26,360.0